

Honolulu, Hawaii

MAR 25 2015

RE: H.B. No. 581
H.D. 1
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committees on Health and Human Services and Housing, to which was referred H.B. No. 581, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Continue the hospital sustainability program for one year; and
- (2) Appropriate funds out of the hospital sustainability program special fund for fiscal year 2015-2016.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation, Chamber of Commerce Hawaii, Hawaii Primary Care Association, United Public Workers, Healthcare Association of Hawaii, and The Queen's Health Systems. . Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that the Legislature created the hospital sustainability program by enacting Act 217, Session Laws of Hawaii 2012, to increase Medicaid payments to hospitals in recognition that Medicaid payments to hospitals were below the actual costs of care. Because of the hospital sustainability program, Medicaid payments to many facilities in the State are



closer to the actual costs of care, which helps to ensure that Medicaid patients have access to the hospital care that they need.

Your Committees have amended this measure by:

- (1) Specifying that the inpatient hospital sustainability fee shall not exceed 2.400 percent of net inpatient hospital service revenue;
- (2) Specifying that the Department of Health shall use monies from the hospital sustainability program special fund to make direct payments to private hospitals based on the amount made available by the State's Section 1115 waiver to cover the uncompensated care costs incurred by private hospitals for serving Medicaid and uninsured individuals during fiscal year 2015-2016;
- (3) Amending the outpatient and inpatient uncompensated care reimbursement rates for eligible hospitals;
- (4) Specifying that level II trauma centers shall receive increased Medicaid reimbursements for each Medicaid day reported;
- (5) Specifying that specialty children's hospitals that are exempt from the inpatient and outpatient hospital fee assessments shall receive increased Medicaid reimbursements for each Medicaid discharge reported; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

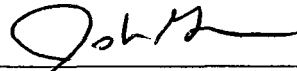
As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 581, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 581, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services and Housing,



SUZANNE CHUN OAKLAND, Chair



JOSH GREEN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* HB 581 HD1	Committee Referral: HTH/HSH, WAM	Date: 3/17/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Pass, unamended 2312 </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div> <input type="checkbox"/> Hold 2310 </div> <div> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
GREEN, Josh (C)	✓			
WAKAI, Glenn (VC)	✓			✓
BAKER, Rosalyn H.				✓
GABBARD, Mike	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.				✓
SLOM, Sam				✓
TOTAL	4	0	0	3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: _____				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

***Only one measure per Record of Votes**

Record of Votes
Committee on Human Services and Housing
HSH

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